

Shapes/Arch Holdings, LLC
Consolidate Profit and Loss Statement

	ACTUAL Jan-08	ACTUAL Feb-08	ACTUAL 2 Months
SALES			
SALES	\$ 19,536,386	\$ 19,200,547	\$ 38,736,933
INTER-COMPANY ELIMINATIONS	(2,131,000)	(1,937,000)	(4,068,000)
NET SALES	\$ 17,405,386	\$ 17,263,547	\$ 34,668,933
COST OF SALES			
MATERIAL COST	12,824,404	11,873,000	24,697,404
INTER-COMPANY ELIMINATIONS	(2,258,000)	(2,064,000)	(4,322,000)
MANUFACTURING EXPENSES	5,177,330	5,059,600	10,236,930
	15,743,734	14,868,600	30,612,334
GROSS PROFIT	\$ 1,661,652	\$ 2,394,947	\$ 4,056,599
MATERIAL COST %	65.64%	61.84%	63.76%
GROSS PROFIT %	9.55%	13.87%	11.70%
OPERATING EXPENSES			
DELIVERY EXPENSES	910,000	963,000	1,873,000
SELLING EXPENSES	759,500	767,700	1,527,200
DEPRECIATION/AMORTIZATION	778,000	764,000	1,542,000
GENERAL & ADMINISTRATIVE	1,507,170	1,452,700	2,959,870
INTER-COMPANY ELIMINATIONS	(6,000)	(6,000)	(12,000)
TOTAL OPERATING EXPENSES	3,948,670	3,941,400	7,890,070
OPERATING INCOME	\$ (2,287,018)	\$ (1,546,453)	\$ (3,833,471)
INTEREST EXPENSE	319,000	266,000	585,000
OTHER INCOME	157,000	145,000	302,000
INTER-COMPANY ELIMINATIONS	(133,000)	(133,000)	(266,000)
NET OTHER INCOME	24,000	12,000	36,000
EXTRAORDINARY ITEMS	-	-	-
PRETAX NET INCOME	\$ (2,582,018)	\$ (1,800,453)	\$ (4,382,471)
EBITDA	\$ (1,485,018)	\$ (770,453)	\$ (2,255,471)

Shapes/Arch Holdings, LLC
Monthly Balance Sheet

<u>Assets</u>	<u>12/31/07</u>	<u>1/31/08</u>	<u>2/29/08</u>
Cash	\$ -	\$ -	\$ -
Accounts Receivable	21,684,000	23,877,000	29,167,000
Inventory	45,871,000	44,044,000	44,302,000
Prepays	1,420,000	1,261,000	1,345,000
Current Assets	\$ 68,975,000	\$ 69,182,000	\$ 74,814,000
Net PPE	67,565,000	67,214,000	66,802,000
Other Asset	579,000	560,000	541,000
Total Assets	\$ 137,119,000	\$ 136,956,000	\$ 142,157,000
<u>Liabilities</u>			
Accounts Payable	27,988,000	31,268,000	35,663,000
Accrued Expenses	5,454,000	4,637,000	6,142,000
Current Liabilities	\$ 33,442,000	\$ 35,905,000	\$ 41,805,000
Revolver	41,693,000	41,815,000	43,081,146
Term Loan	8,844,000	8,678,000	8,514,000
Subordinated Debt	5,991,000	5,991,000	5,991,000
Members Equity	47,149,000	44,567,000	42,765,854
Total Liabilities & Equity	\$ 137,119,000	\$ 136,956,000	\$ 142,157,000